



SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 265)

INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2006

UNAUDITED CONSOLIDATED INTERIM RESULTS

The Board of Directors (the “Board”) of South China Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2006 together with comparative figures as follows:-

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June	
		2006 Unaudited HK\$'000	2005 Unaudited HK\$'000
Turnover	2	1,773,514	1,642,794
Cost of sales		(1,625,261)	(1,492,154)
Gross profit		148,253	150,640
Interest income		1,785	2,032
Other operating income		11,762	8,865
Selling and distribution costs		(43,955)	(44,073)
Administrative expenses		(202,831)	(192,860)
Excess over the cost of business combinations		228,206	–
Gain on disposal of investment properties		5,100	–
Gain on disposal of available-for-sale financial assets		1,618	20,938
Gain on dilution of subsidiary		3,633	–
Fair value losses on financial assets at fair value through profit or loss		(6,543)	(14,778)
Fair value gains on investment properties		–	106,280
Profit from operations	2&3	147,028	37,044
Finance costs		(13,048)	(6,719)
Share of results of associates		(2,769)	2,077
Write-back of provision for advances to associates		–	19,094
Profit before tax		131,211	51,496
Tax	4	(3,874)	(1,015)
Profit for the period		127,337	50,481
Attributable to:			
Equity holders of the Company		96,786	27,238
Minority interests		30,551	23,243
		127,337	50,481
Basic earnings per share	6	HK5.31 cent	HK1.49 cent